



BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

BOB STUMP - Chairman
GARY PIERCE
BRENDA BURNS
BOB BURNS
SUSAN BITTER SMITH

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ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

Arizona Corporation Commission

DOCKETED

AUG 20 2014

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IN THE MATTER OF THE APPLICATION OF
GOLDEN SHORES WATER COMPANY, INC.
FOR A PERMANENT INCREASE IN ITS WATER
RATES AND CHARGES.

DOCKET NO. W-01815A-14-0173

RATE CASE PROCEDURAL ORDER
(Sets a Hearing)

BY THE COMMISSION:

On June 2, 2014, Golden Shores Water Company, Inc. ("Golden Shores" or "Company") filed with the Arizona Corporation Commission ("Commission") an application¹ for a determination of the fair value of its plant and property for the provision of public utility service and for an increase in its rates and charges for water utility service based thereon.² Golden Shores' application uses a test year ending December 31, 2013 ("TY"). The Company's customers are almost exclusively residential customers served by 5/8" x 3/4" water meters.

On June 9, 2014, one customer comment in opposition to the application was docketed.

On June 11, 2014, Golden Shores filed a request for a one time waiver to file its rate application for a water utility classes D&E, with revenues less than \$250,000, citing lack of funds to file a rate case for a Class C Utility.

One customer comment in opposition to the application was docketed on each day of June 17, 2014, June 19, 2014, and June 23, 2014.

On July 1, 2014, the Commission's Utilities Division ("Staff") issued a Letter of Deficiency.

On July 2, 2014, one customer comment in opposition to the application was docketed.

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¹ Golden Shores completed a rate application for water companies with annual gross operating revenues of less than \$250,000.

² In Decision No. 74168 (October 25, 2013), Golden Shores was directed to file an application for a permanent rate increase no later than May 30, 2014.

1 On August 14, 2014, Staff filed a Letter of Sufficiency indicating that Golden Shores'
2 application had met the sufficiency requirements outlined in Arizona Administrative Code
3 ("A.A.C.") R14-2-103, and classifying Golden Shores as a Class C Utility.

4 Thus, it is now necessary to establish the procedural schedule for this matter. A hearing
5 should be held on the application.

6 IT IS THEREFORE ORDERED that the **hearing** in the above-captioned matter shall
7 commence on **February 10, 2015, at 10:00 a.m.**, or as soon thereafter as is practical, in Hearing
8 Room No. 1 at the Commission's offices, 1200 West Washington, Phoenix, Arizona 85007, and shall
9 continue, if necessary, at **9:00 a.m. on February 11, 2015**, and on such other dates as are determined
10 if needed.

11 IT IS FURTHER ORDERED that a **pre-hearing conference** shall be held on **February 5,**
12 **2015, at 10:00 a.m.**, or as soon thereafter as is practical, at the Commission's offices, Hearing Room
13 No. 1, 1200 West Washington, Phoenix, Arizona 85007, for the purpose of scheduling witnesses and
14 discussing the conduct of the hearing.

15 IT IS FURTHER ORDERED that the **Staff Report/direct testimony and associated**
16 **exhibits** to be presented at hearing by **Staff** shall be reduced to writing and filed on or before
17 **December 26, 2014.**

18 IT IS FURTHER ORDERED that the **direct testimony and associated exhibits** to be
19 presented at hearing by an **intervenor** shall be reduced to writing and filed on or before **December**
20 **26, 2014.**

21 IT IS FURTHER ORDERED that the **rebuttal testimony and associated exhibits** to be
22 presented at hearing by **Golden Shores** shall be reduced to writing and filed on or before **January**
23 **12, 2015.**

24 IT IS FURTHER ORDERED that the **surrebuttal testimony and associated exhibits** to be
25 presented at hearing by **Staff or intervenors** shall be reduced to writing and filed on or before
26 **January 26, 2015.**

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1 IT IS FURTHER ORDERED that the **rejoinder testimony and associated exhibits** to be
2 presented at hearing by **Golden Shores** shall be reduced to writing and filed on or before **February**
3 **2, 2015**.

4 IT IS FURTHER ORDERED that **all testimony** filed shall include a **table of contents** listing
5 the issues discussed.

6 IT IS FURTHER ORDERED that **all filings shall be made by 4:00 p.m.** on the date the
7 filing is due, unless otherwise indicated.

8 IT IS FURTHER ORDERED that **the parties shall prepare, jointly or individually, and**
9 **bring to the pre-hearing conference, copies of an issues matrix/matrices** setting forth all disputed
10 issues in the case, the position of each party on each disputed issue, whether the disputed issue
11 remains in dispute or has been resolved, and the manner in which it was resolved.

12 IT IS FURTHER ORDERED that **any objections to prefiled testimony or exhibits shall be**
13 **made before or at the February 5, 2015, pre-hearing conference.**

14 IT IS FURTHER ORDERED that **intervention** shall be in accordance with A.A.C. R14-3-
15 105, except that all motions to intervene must be filed on or before **November 7, 2014**.

16 IT IS FURTHER ORDERED that any **objections to intervention** shall be filed on or before
17 **November 18, 2014**.

18 IT IS FURTHER ORDERED that discovery shall be as permitted by law and the rules and
19 regulations of the Commission, except that until **December 31, 2014**, any objection to discovery
20 requests shall be made within 7 calendar days of receipt³ and responses to discovery requests shall be
21 made within 10 calendar days of receipt. Thereafter, objections to discovery requests shall be made
22 within 5 calendar days and responses shall be made within 7 calendar days. The response time may
23 be extended by mutual agreement of the parties involved if the request requires an extensive
24 compilation effort.

25 IT IS FURTHER ORDERED that for discovery requests, objections, and answers, if a
26 receiving party requests service to be made electronically, and the sending party has the technical
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28 ³ The date of receipt of discovery requests is not counted as a calendar day, and requests received after 4:00 p.m. Arizona time will be considered as received the next business day.

1 capability to provide service electronically, service to that party shall be made electronically.

2 IT IS FURTHER ORDERED that, in the alternative to filing a written motion to compel
3 discovery, any party seeking resolution of a discovery dispute may telephonically contact the
4 Commission's Hearing Division to request a date for a procedural hearing to resolve the discovery
5 dispute; that upon such a request, a procedural hearing will be convened as soon as practicable; and
6 that the party making such a request shall forthwith contact all other parties to advise them of the
7 hearing date and shall at the hearing provide a statement confirming that the other parties were
8 contacted.⁴

9 IT IS FURTHER ORDERED that any **substantive corrections, revisions, or supplements**
10 **to prefiled testimony**, with the exception of rejoinder testimony, shall be reduced to writing and filed
11 no later than five calendar days before the witness is scheduled to testify. Substantive corrections,
12 revisions, or supplements to prefiled rejoinder testimony shall be reduced to writing and presented on
13 the first day of hearing.

14 IT IS FURTHER ORDERED that any motion filed in this matter, other than a motion to
15 intervene, that is not ruled upon by the Commission within 20 calendar days of the filing date of the
16 motion shall be deemed denied.

17 IT IS FURTHER ORDERED that any response to a motion, other than a motion to intervene,
18 shall be filed within five calendar days of the filing date of the motion.

19 IT IS FURTHER ORDERED that any reply related to a motion shall be filed within five
20 calendar days of the filing date of the response to the motion.

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28 ⁴ The parties are encouraged to attempt to settle discovery disputes through informal, good-faith negotiations before seeking Commission resolution of the controversy.

IT IS FURTHER ORDERED that **Golden Shores shall provide public notice** of the hearing in this matter, in the following form and style, with the heading in no less than 12-point bold type and the body in no less than 10-point regular type:

**PUBLIC NOTICE OF HEARING ON THE
APPLICATION OF GOLDEN SHORES WATER COMPANY
FOR APPROVAL OF A RATE INCREASE
(DOCKET NO. W-01815A-14-0173)**

Summary

On June 2, 2014, Golden Shores Water Company, Inc. ("Golden Shores" or "Company") filed with the Arizona Corporation Commission ("Commission") an application for a determination of the fair value of its plant and property for the provision of public utility service and for an increase in its rates and charges for water utility service based thereon. Golden Shores' application uses a test year ending December 31, 2013 ("TY"). The Company's customers are almost exclusively residential customers served by 5/8" x 3/4" water meters.

Golden Shores requests a gross revenue increase of approximately \$176,832, or approximately 36.92 percent over current revenues.

The Commission's Utilities Division ("Staff") is in the process of auditing and analyzing the application, and has not yet made any recommendations regarding Golden Shores' proposed rate increase. The Commission will determine the appropriate relief to be granted based on the evidence of record in the proceeding. **THE COMMISSION IS NOT BOUND BY THE PROPOSALS MADE BY GOLDEN SHORES, STAFF, OR ANY INTERVENORS; THEREFORE, THE FINAL RATES APPROVED BY THE COMMISSION MAY DIFFER FROM AND MAY BE HIGHER OR LOWER THAN THE RATES REQUESTED BY GOLDEN SHORES OR RECOMMENDED BY OTHER PARTIES.**

How You Can View or Obtain a Copy of the Rate Proposal

Copies of the application and proposed rates are available from Golden Shores [COMPANY INSERT HOW AND WHERE AVAILABLE] and at the Commission's Docket Control Center at 1200 West Washington, Phoenix, Arizona, for public inspection during regular business hours, and on the Internet via the Commission's website (www.azcc.gov) using the e-Docket function.

Arizona Corporation Commission Public Hearing Information

The Commission will hold a hearing on this matter beginning **February 10, 2015, at 10:00 a.m.**, at the Commission's offices Hearing Room No. 1, 1200 West Washington Street, Phoenix, Arizona 85007. Public comments will be taken on the first day of hearing.

Written public comments may be submitted by mailing a letter referencing Docket No. W-01815A-14-0173 to Arizona Corporation Commission, Consumer Services Section, 1200 West Washington, Phoenix, AZ 85007, or by submitting comments on the Commission's website (www.azcc.gov) using the "Submit a Public Comment" function. If you require assistance, you may contact the Consumer Services Section at 602-542-4251 or 1-800-222-7000.

About Intervention

The law provides for an open public hearing at which, under appropriate circumstances, interested parties may intervene. Any person or entity entitled by law to intervene and having a direct and substantial interest in the matter will be permitted to intervene. Anyone who wishes to intervene must file an original and 13 copies of a written motion to intervene with the Commission no later than **November 7, 2014**, and send a copy of the motion to Golden Shores or its counsel and to all parties of record. Your motion to intervene must contain the following:

1. Your name, address, and telephone number and of any person upon whom service of documents is to be made if different from that of the intervenor;
2. A short statement of your interest in the proceeding (e.g., a customer or potential customer of Golden Shores, a member or shareholder of Golden Shores, etc.);
3. A statement certifying that a copy of the motion to intervene has been mailed to Golden Shores or its counsel and to all parties of record in the case; and
4. If the proposed intervenor is not represented by an attorney who is an active member of the Arizona State Bar, and is not an individual representing himself or herself, information and any appropriate documentation demonstrating compliance with Arizona Supreme Court Rules 31, 38, and 42, as applicable.

The granting of motions to intervene shall be governed by A.A.C. R14-3-105, except that all motions to intervene must be filed on or before November 7, 2014.

The granting of intervention, among other things, entitles a party to present sworn evidence at hearing and to cross-examine other witnesses. However, failure to intervene will not preclude any interested person or entity from appearing at the hearing and providing public comment on the application or from filing written comments in the record of the case.

ADA/Equal Access Information

The Commission does not discriminate on the basis of disability in admission to its public meetings. Persons with a disability may request a reasonable accommodation such as a sign language interpreter, as well as request this document in an alternative format, by contacting the ADA Coordinator, Shaylin Bernal, E-mail SABernal@azcc.gov, voice phone number 602-542-3931. Requests should be made as early as possible to allow time to arrange the accommodation.

IT IS FURTHER ORDERED that **Golden Shores shall, by September 26, 2014, send a copy of the above notice to each current customer by first class U.S. mail and have the above notice published in a newspaper of general circulation in its service territory.**

IT IS FURTHER ORDERED that **Golden Shores shall, by October 17, 2014, file certification of mailing and publication of the above notice.**

IT IS FURTHER ORDERED that notice shall be deemed complete upon mailing and publication, notwithstanding the failure of an individual to read or receive the notice.

1 IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113 - Unauthorized
2 Communications) applies to this proceeding and shall remain in effect until the Commission's
3 Decision in this matter is final and non-appealable.

4 IT IS FURTHER ORDERED that all parties must comply with Arizona Supreme Court Rules
5 31, 38, and 42 and A.R.S. § 40-243 with respect to practice of law and admission *pro hac vice*.⁵

6 IT IS FURTHER ORDERED that withdrawal of representation must be made in compliance
7 with A.A.C. R14-3-104(E) and Rule 1.16 of the Rules of Professional Conduct (under Arizona
8 Supreme Court Rule 42). Representation before the Commission includes appearances at all hearings
9 and procedural conferences, as well as all Open Meetings for which the matter is scheduled for
10 discussion unless counsel has previously been granted permission to withdraw by the Administrative
11 Law Judge or the Commission.

12 IT IS FURTHER ORDERED that the time periods specified herein shall not be extended
13 pursuant to Rule 6(a) or (e) of the Rules of Civil Procedure.

14 IT IS FURTHER ORDERED that the Administrative Law Judge may rescind, alter, amend,
15 or waive any portion of this Procedural Order either by subsequent Procedural Order or by ruling at
16 hearing.

17 DATED this 20th day of August, 2014.

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21 SASHA PATERNOSTER
22 ADMINISTRATIVE LAW JUDGE
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26 ⁵ If a corporation is not represented by an attorney authorized to practice law in Arizona in a proceeding before the
27 Commission, an officer of the corporation may represent the entity as long as the board of directors has authorized such
28 person to represent it in the matter and such representation is not the person's primary duty to the entity, but secondary or
incidental to other duties relating to the management or operation of the entity, and such person is not receiving separate
or additional compensation for such representation. See Arizona Supreme Court Rule 31(d)(11). The Commission
requires entities to docket evidence of board authorization.

1 Copies of the foregoing mailed/delivered
2 this 20th day of August, 2014 to:

3 Mark Sparks
4 GOLDEN SHORES WATER COMPANY
5 P.O. Box 37
6 12812 Oatman Hwy.
7 Topock, AZ 86436

8 Janice Alward, Chief Counsel
9 Legal Division
10 ARIZONA CORPORATION COMMISSION
11 1200 West Washington Street
12 Phoenix, AZ 85007

13 Steven M. Olea, Director
14 Utilities Division
15 ARIZONA CORPORATION COMMISSION
16 1200 West Washington Street
17 Phoenix, AZ 85007

18 COASH & COASH, INC.
19 Court Reporting, Video and Videoconferencing
20 1802 North 7th Street
21 Phoenix, AZ 85006

22 By: Rebecca Unquera
23 Rebecca Unquera
24 Assistant to Sasha Paternoster
25
26
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